

\$STKL - "Story Killers" ETF

The decline of sport's Passion Merchants

Investment Analysis

We anticipate more upside than downside risk for the "Story Killers" ETF (\$STKL), marking a significant shift in sports narratives from glorified underdog tales to stories of domination. This trend is driven by financial clout (e.g., Manchester City, Saudis in Golf), analytical rigor (e.g., Djokovic), and unconventional champions (e.g., Red Bull F1, Tyson Fury). The data is clear, passion merchants are OUT - Klopp galloping on the touchline couldn't stop the pep in City's step, nor could calls for more "integrity" in sports stop Saudi overwhelm Golf & Boxing. Somehow, at the individual & corporate level, both our heroes and underdogs are being slayed - not by each other - but by a new cohort, The Story Killers.

Sector Analysis and ETF Composition

Financial Prowess - Over the last decade, Manchester City has invested approximately \$1.5 billion in players and infrastructure, leading to significant success - 5 EPLs + 1 UCL in 6 seasons. The ownership landscape of elite sports clubs has evolved significantly, with billionaires and sovereign wealth funds bringing a business and political dimension to the game. The "Gulf Golf" phenomenon, with over \$2 billion invested by Saudis in golf, has transformed the sport despite gatekeeper concerns over its heritage. Regulations such as Financial Fair Play (FFP) may pose challenges, but the evolving European Super League initiative remains under observation curbs any downward pressure we are seeing in this thematic space.

Analytical Rigor - Djokovic's sustained excellence has positioned him as possibly the GOAT of Tennis. Despite varied public opinions and controversies such as COVID-19 stance, His resilience underscores his significance in our ETF. Elsewhere, the emergence of Dagestani fighters in UFC/MMA, exemplified by Khabib's victory over McGregor, has shifted expectations from underdog tales to anticipated victories, reflecting a new era of sports where newcomer does not necessarily mean underdog.

Atypical Stars - Tyson Fury, known for his unique persona and boxing style, maintains his marketability despite challenges, such as controversial matches Vs Ngannou. Similarly, Red Bull's foray into F1 and football has disrupted traditional dynamics, highlighting our investment in their financial and brand strength. An energy drinks company challenging luxury automotive brands upsets some, but ignites our returns.

Risk Management and Outlook - The enduring charm of underdog narratives could shift preferences away from "Story Killers," potentially affecting \$STKL. After all, if you win long enough, they end up loving you, so our Story Killers could easily turn into their own victims. From Anti-heroes to Heroes. Nonetheless, we see continued growth in this thematic arena, and the complex interplay of sports narratives demands a nuanced investment strategy that appreciates both traditional and modern success stories.

Analyst View



RATING

Overweight

YTD

8.31% ▲

Holdings

MCIY	Manchester City	25%
RDBL	Red Bull	20%
DGNI	UFC Dagestani	20%
GULF	LIV Golf	15%
DJOK	Djokovic	10%
FURY	Tyson Fury	10%

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